

~~federal taxable income set forth in § 10-306.1 of the Tax General Article, for all taxable years beginning in calendar year 2004 only, the payment of 110% or more of the tax paid for the prior taxable year, reduced by the credit allowed under § 10-703 of the Tax General Article, does not preclude the Comptroller from assessing:~~

- ~~(1) interest, under § 13-602 of the Tax General Article, on unpaid tax; and~~
- ~~(2) penalty, under § 13-702 of the Tax General Article, on underestimated tax.~~

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) The Comptroller shall administer a Settlement Period from July 1, 2004 through November 1, 2004.

(b) The Settlement Period shall be applicable to the Maryland corporation income tax that has been or may be assessed by the Comptroller on the basis of issues that were ruled on by the Maryland Court of Appeals in the decisions in Comptroller of the Treasury v. SYL, Inc., and Comptroller of the Treasury v. Crown Cork & Seal Company (Delaware), Inc., 375 Md. 78 (2003), whether or not the assessment is or was issued before or after the date of the decisions.

(c) (1) A taxpayer may elect whether to have additional income tax calculated as though otherwise deductible payments were added back to the paying taxpayer's federal taxable income, or as though the receiving taxpayer were subject to the Maryland corporation income tax.

(2) The Maryland income tax may not be imposed more than once for the same transaction.

(d) The Comptroller shall waive all penalties attributable to the taxes paid during the Settlement Period.

(e) The Comptroller shall assess interest on taxes paid during the Settlement Period at a rate not to exceed 6.5% per year.

(f) If all taxes and related interest described above are paid during the Settlement Period for the taxpayer's taxable years beginning on or after January 1, 1995 and ending on or before December 31, 2003, then no assessment for any taxable year beginning before January 1, 1995 may be enforced.

~~SECTION 3. 4. AND BE IT FURTHER ENACTED, That if any provision this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act which can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.~~

~~SECTION 4. 5. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2004, and, except as provided in Section 3 of this Act, shall be applicable to all taxable years beginning after December 31, 2003.~~